Leading Services with Highly Engaged User Base

- **Games**
  - #1 by users and revenue in China across PC and mobile
  - #1 globally by revenue

- **Weixin & WeChat**
  - #1 mobile community
  - MAU at 1,299m

- **QQ**
  - QQ mobile devices MAU at 569m

- **Mobile Browser**
  - #1 by MAU

- **Mobile Security**
  - #2 by MAU

- **Digital Content**
  - #1 by subscriptions

- **Long-Form Video**
  - #1 by subscriptions

- **News**
  - #1 news services by MAU

- **Music**
  - #1 music services provider

- **Literature**
  - #1 online content library and publisher

- **FinTech**
  - #2 by MAU

- **Cloud**
  - #2 service provider by revenue

- **Public Cloud**
  - #2 service provider by revenue

All rankings above refer to China market, unless otherwise stated. Ranking for public cloud is based on IaaS and PaaS revenue (source: IDC). Company data as of Jun 30, 2022.
Since 4Q2019

Annual transaction value in 2020

Fee-based VAS subscriptions as of Jun 30, 2022

1 billion+
daily average commercial payment transactions on Weixin Pay

RMB1.6 trillion+
total transaction value generated from Weixin Mini Programs

235 million
total fee-based VAS subscriptions

1 billion+
1 billion+
RMB1.6 trillion+
235 million

Digital Ecosystem Fulfilling Everyday Needs of Consumers

1. Since 4Q2019
2. Annual transaction value in 2020
3. Fee-based VAS subscriptions as of Jun 30, 2022
Weixin Connects Users, Content and Services in China

1. **Chat and Moments**
   - *Weixin Chat* provides synchronous communication between mutual contacts
   - *Moments* provide asynchronous photo, video and audio sharing

2. **Weixin Pay**
   - Easy and secured online/offline transactions
   - Over 1 billion average commercial transactions per day since 4Q2019

3. **Mini Programs**
   - Connect over 500 million DAU with products, content and services
   - Help independent businesses thrive with their own channels and customer relationships
   - 2020 annual transaction value more than doubled YoY

4. **Official Accounts**
   - Allow individuals, media and businesses to share original content and engage with audience
   - Strengthen brand awareness and content management

5. **Video Accounts**
   - A separate ID-based content platform for public sharing of video and live streaming content
   - Composed of both knowledge-based and entertainment content, offered to users via social and algorithmic recommendations
   - Total time spent exceeded 80% of Moments
   - Ramping up monetisation via short video feeds ad, live streaming tipping and eCommerce

---

1. As of Jun 30, 2022

Largest communication and social service in China for 1.3 billion MAU (1)
QQ Caters to Evolving Interactive Needs of Young Generations

**Mini Programs**
Connect users with content & services, e.g., animated series provided by third-parties

**Mini World**
Short-form video creation, sharing and consumption

**Super QQ Show**
Testing new customisable virtual avatar for use in various social scenarios

569 million QQ MAU (1) on mobile devices

---

1. As of Jun 30, 2022
Embrace Industrial Internet with Strong Technological Capabilities

- Extending our strategy of ‘Connection’ to connecting industries, consumers & business partners; focusing on customer value creation and quality of growth
- Provide smart industry solutions based on Tencent Cloud; leverage our high-DAU products and software, and proprietary technologies to assist enterprises in digital transformation
- Concentrate our resources on SaaS/PaaS solutions such as enterprise communication software, video cloud and cybersecurity solutions

Smart Solutions

- Retail
- Healthcare
- Education
- Finance
- Transportation

Software and Services

- WeCom
- Tencent Meeting
- Tencent Docs
- Weixin
- Weixin Pay
- Tencent Security

Technologies

- Video Cloud Solutions
- Security Capabilities
- Tencent AI Lab
- Big Data Analytics
- Location-based Services

Infrastructure

- Tencent Cloud

1. As of Jun 30, 2022

- Solid infrastructure in 27 regions and 71 availability zones (1)
- No. 1 in China by Communication PaaS revenues (2)
- TDSQL database named the leader for distributed database in China (3)
To achieve **Carbon Neutrality** in own operations and supply chain, and shift to 100% renewable energy by 2030, via:

- Improving energy efficiency via technology innovations and applications
- Increasing renewable energy use and participating in green power trading
- Carbon offsets for the remaining segments which cannot be reduced otherwise

**Environment**

**Social**

- Adopted various apps to provide **elderly-oriented and barrier-free services**
- Adopted industry-leading and effective measures for **Minor protection**
- **Assist SMEs** to reduce operating costs and enhance efficiency by offering subsidies, resources and services via **Weixin Pay**
- Upgraded our **charitable fundraising platform**, extending reach of annual 99 **Giving Day** event to engage 69 million users and 12,000 enterprises

**Governance**

- Enhanced anti-trust compliance with a dedicated department, updated guidelines for all businesses and strengthened staff trainings
- Updated anti-money laundering and sanctions compliance to closely follow domestic and global regulatory requirements and trends
- Support diversity and inclusion, increasing female representation in managerial roles, and collaborating with UNDP to inspire women in technology industry

**Our ESG Commitment and Approach**

<table>
<thead>
<tr>
<th>Environment</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>To achieve <strong>Carbon Neutrality</strong> in own operations and supply chain, and shift to 100% renewable energy by 2030, via:</td>
<td>• Adapted various apps to provide elderly-oriented and barrier-free services</td>
<td>• Enhanced anti-trust compliance with a dedicated department, updated guidelines for all businesses and strengthened staff trainings</td>
</tr>
<tr>
<td>• Improving energy efficiency via technology innovations and applications</td>
<td>• Adopted industry-leading and effective measures for <strong>Minor protection</strong></td>
<td>• Updated anti-money laundering and sanctions compliance to closely follow domestic and global regulatory requirements and trends</td>
</tr>
<tr>
<td>• Increasing renewable energy use and participating in green power trading</td>
<td>• <strong>Assist SMEs</strong> to reduce operating costs and enhance efficiency by offering subsidies, resources and services via <strong>Weixin Pay</strong></td>
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</tr>
<tr>
<td>• Carbon offsets for the remaining segments which cannot be reduced otherwise</td>
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<td></td>
</tr>
</tbody>
</table>

**MSCI ESG Rating: BBB | Sustainalytics ESG risk score: 22.4 (1)**

* For more details about Tencent’s ESG approach, please refer to our [2021 ESG Report](#).

1. Out of 100, the lower the better
Create Sustainable Innovations for Social Value

Established Sustainable Social Value Org (SSV) in Apr 2021, to deploy social value initiatives in a professional and entrepreneurial way.

Contributed to common prosperity with new commitment in Aug 2021.

Pursue long-term social value leveraging our technology and products:
- Fund basic scientific research to support critical healthcare and environmental technologies
- Building a public AED emergency response platform leveraging IoT solutions and Weixin Mini Programs
- Nurture administrative and business talents in rural areas with our digital solutions
- Utilise advanced game technologies, AI, AR and VR for cultural preservation and popularisation

* Food, Energy and Water
Leading industry in fostering a healthy gameplay environment in China

- Pioneered a system for parents to manage minors’ game activity in Feb 2017. Introduced the strictest measures in the industry with mandatory real-name verification, game time and spending limits in Sep 2018.
- Further tightened game time and spending limits beyond regulatory requirement in Aug 2021, reducing daily time limit for users aged under 18 and preventing in-game spending by users aged under 12.
- Full compliance with new regulations enforced since Sep 1, 2021: users aged under 18 can only play games between 8-9pm on Fridays, Saturdays, Sundays and statutory holidays.
- Industry-leading effort in combatting minors’ usage of adult accounts: 1) upgraded our screening system to identify misused adult accounts; and 2) proactively assist authorities in cracking down on illegal account transactions.
- Users aged under 18 accounted for: 1) 0.9% of Domestic Games time spent in 4Q2021, down 88% YoY; 2) 1.5% of our Domestic Games grossing receipts in 4Q2021, down 73% YoY.

**Timeline**

- **Feb 2017**: Pioneered a system for parents to manage minors’ game activity.
- **Sep 2018**: Upgraded Healthy Gameplay System with mandatory real-name verification, game time and spending limit.
- **Sep 2019**: Took down games incompatible with Healthy Gameplay System.
- **Aug 2021**: Further tightened game time and spending limits.
- **Sep 2021**: Full compliance with new regulations enforced since 1st Sep.
1. Business Model

2. Financials
Resilient Business Model with Diversified Revenue Streams

Revenues by Business Segment (1)(2)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FinTech and Business Services</td>
<td>237.8</td>
<td>312.7</td>
<td>377.3</td>
<td>482.1</td>
<td>560.1</td>
<td>556.1</td>
</tr>
<tr>
<td>Online Advertising</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>VAS: International games</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>VAS: Domestic games</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>VAS: Social Networks</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

5-year CAGR 24%

(1) Revenues by Business Segment is presented in RMB in billions.
(2) “Others” segment revenues is marked in grey. “Others” segment revenues for 2016-2017 include FinTech and Business Services, and the financials of investment in, production of and distribution of, films and television programmes for third parties, copyrights licensing, merchandise sales and various other activities. “Others” segment revenues for 2018-2021 included the financials of investment in, production of and distribution of, films and television programmes for third parties, copyrights licensing, merchandise sales and various other activities.
(3) Starting 3Q21, we disclose revenue from Domestic Games and International Games as new sub-segments under VAS, reflecting the increasing scale of our International Games business. For the purpose of preparing financial and operating information, Domestic Games refers to our games business in the PRC, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan.
(4) Last twelve months ended Jun 30, 2022.
Digital Content Services

- Leading digital content platforms offer high quality content in various forms, including literature, anime, video, games and others
- Expertise in curating popular IP and extending IP influence across various media forms and high-DAU properties
- Strategic partner of choice for major content producers and owners locally and globally

High Quality Content

Growing Fee-based VAS Subscriptions

(in millions)

- 122 million (¹)
  Total video subscriptions
- 83 million (¹)
  Total music subscriptions

1. As of Jun 30, 2022
### Games

**Leading global platform for game development, publishing and operation**

#### Sizable Developer

**Owned Studios**
- TIMI
- Krafton
- Supercell
- Riot Games
- Tencent
- Morefun
- Aurora
- Digital Extremes

**Invested External Studios**
- Epic Games
- Ubisoft
- RQBlox

**Partnership with External Studios**
- Nintendo
- Nexon
- Supercell
- EA

#### Deep Portfolio of Popular Titles across Genres

**Battle Arena**
- Honour of Kings
  - #1 China mobile game by DAU
- League of Legends
  - #4 international PC game by MAU
- League of Legends: Wild Rift
  - #5 China mobile games by DAU

**Action**
- Peacekeeper Elite
  - #2 China mobile game by DAU
- PUBG Mobile
  - Top 10 international mobile game by DAU
- Valorant
  - #6 international PC game by MAU

**Other Key Genres**
- Clash of Clans
  - Turn-based strategy
  - Top 10 international mobile game by DAU
- V Rising
  - 2 million copies sold in its 1st month on Steam Early Access
- Fight of the Golden Spatula
  - Auto Battler
- Subway Surfers
  - Endless Runner

#### Expanding international presence

**Investing in talents & leading studios**
- Scaling up talents in owned studios
- Acquiring and nurturing specialist genre-leading studios

**Global IP portfolio**
- Internally - extending IPs to multiple genres, and creating new IPs
- Externally - partnering with IP owners to develop and operate popular games

**Building capabilities**
- New publishing brand Level Infinite
- Fostering player communities via eSports

---

1. QuestMobile, as of Jun 2022
2. Newzoo, as of Jun 2022
3. data.ai, as of Jun 2022
4. data.ai, as of Apr 2022
5. data.ai, Jan 2012- Jun 2022
Online Advertising

Large Share of Time Spent with Significant Headroom for Monetisation

35%
time spent on apps in China is captured by apps of Tencent (1)

11.0%
market share of online ad revenue in China (2)

Our Advertising Properties

Social
- Weixin Moments
- Weixin Official Accounts
- Weixin Mini Programs
- Weixin Video Accounts
- QQ

Media
- Tencent Video
- Tencent News
- QQ Music
- Tencent Sports
- QQ Reading
- QQ Browser
- Tencent Games
- Tencent eSports
- Mobile Advertising Network

Tools and Others
- Weixin Official Accounts
- Weixin Video Accounts

Our Technology

Integrated Advertising Solutions
- Tencent Marketing Solutions
  • Integrated digital marketing solutions provide access to full range of Tencent and third-party advertising inventories

Leading Advertising Technology
- Offers a range of digital tools including user insight, campaign management, and digital asset management
- Upgrading machine learning infrastructure of our advertising system to process data more efficiently
- Enables us to enhance targeting and conversion rates, and hence higher ROI for advertisers

Strong revenue growth (22% CAGR from 2017 to 2021)

1. According to QuestMobile, in December 2021; including apps with MAU of no less than 10,000.
2. Market share calculated as Tencent Online Advertising revenue in 2020 divided by China online advertising market size in 2020 according to CNNIC adjusted by adding customer management revenue of Alibaba in 2020 as disclosed.
WeBank is an affiliate of Tencent and is a licensed bank


“2021 China Distributed Database Market Report”, Frost & Sullivan and LeadLeo Research Institution

As of Jan 2022

As of Dec 2021

Business Services

FinTech Solutions

• IaaS: Star Lake server and T-block technology enhanced service performance

• PaaS
  ➢ No. 1 in China by Communication PaaS revenues
  ➢ TDSQL database named the leader for distributed database in China; increasing on-premise deployments in key financial institutions
  ➢ Increasing adoption of security solutions

• SaaS
  ➢ WeCom (enterprise communication & productivity software) connects 10+ million companies and organisations
  ➢ Tencent Meeting reaches 200+ million users
  ➢ Tencent Docs crossed 200 million MAUs

• Other technology solutions for enterprise customers

FinTech and Business Services

1. WeBank is an affiliate of Tencent and is a licensed bank
4. As of Jan 2022
5. As of Dec 2021
2. Financial Highlights
## Adjusted EBITDA (1) and Free Cash Flow (FCF) (2)

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA (RMB in billions)</th>
<th>Free Cash Flow (FCF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>95.9</td>
<td>93.4</td>
</tr>
<tr>
<td>2018</td>
<td>118.3</td>
<td>87.8</td>
</tr>
<tr>
<td>2019</td>
<td>147.4</td>
<td>120.3</td>
</tr>
<tr>
<td>2020</td>
<td>183.3</td>
<td>153.2</td>
</tr>
<tr>
<td>2021</td>
<td>194.8</td>
<td>144.0</td>
</tr>
<tr>
<td>LTM Jun 2022</td>
<td>182.3</td>
<td>132.9</td>
</tr>
</tbody>
</table>

### Key Metrics

- **19%**
  - Adjusted EBITDA CAGR (5)

- **35%**
  - Adjusted EBITDA Margin (6)

- **55%**
  - FCF Conversion (7)

---

1. Adjusted EBITDA consists of EBITDA plus equity-settled share-based compensation expenses.
2. Free cash flow calculated as net cash flow generated from operating activities minus payments for capital expenditures. In 2019, interest paid was re-classified from operating to financing cash flows, comparative figures from 2018 were re-stated accordingly.
3. Starting from 2020, free cash flow was adjusted by subtracting payments for media contents and lease liabilities, in addition to subtracting payments for capital expenditure from operating cash flow. RMB120.3 billion in 2019, RMB153.2 billion in 2020, RMB144.0 billion in 2021 and RMB 133.0 billion in LTM Jun 2022 are the free cash flow numbers before the adjustments.
5. 2017–2021 CAGR.
6. 2021 Adjusted EBITDA as % of Revenues.
7. FCF Conversion = FCF / Adjusted EBITDA; in 2021.

---

### Highly Profitable and Cash-Generative Business Model

- **19%** Adjusted EBITDA CAGR
- **35%** Adjusted EBITDA Margin
- **55%** FCF Conversion
1. In 2019, interest paid was re-classified from operating to financing cash flows, comparative figures from 2018 were re-stated accordingly.

2. Capital expenditure paid includes purchase of property, plant and equipment, constructions in progress and investment properties, payments for land use rights and payments for intangible assets (excluding media contents, game licences and other contents). Dividends paid include dividends paid to both the Company’s shareholders and non-controlling interests.

3. Last twelve months ended Jun 30, 2022
## Solid Balance Sheet Position

### Net Cash / (Debt) Position

(RMB in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total cash (1)</th>
<th>Net cash/ (debt)</th>
<th>Total debt (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>148.2</td>
<td>16.3</td>
<td>(131.9)</td>
</tr>
<tr>
<td>2018</td>
<td>167.1</td>
<td>(12.2)</td>
<td>(179.3)</td>
</tr>
<tr>
<td>2019</td>
<td>205.3</td>
<td>(15.5)</td>
<td>(220.8)</td>
</tr>
<tr>
<td>2020</td>
<td>259.5</td>
<td>11.1</td>
<td>(248.4)</td>
</tr>
<tr>
<td>2021</td>
<td>281.3</td>
<td>(20.2)</td>
<td>(301.5)</td>
</tr>
<tr>
<td>2Q2022</td>
<td>315.9</td>
<td>(20.4)</td>
<td>(336.3)</td>
</tr>
</tbody>
</table>

### Fair Value of Shareholdings in Listed Investee Companies (3)

(RMB in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Fair Value of Shareholdings in Listed Investee Companies (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>(336.3)</td>
</tr>
<tr>
<td>2018</td>
<td>(301.5)</td>
</tr>
<tr>
<td>2019</td>
<td>(248.4)</td>
</tr>
<tr>
<td>2020</td>
<td>(220.8)</td>
</tr>
<tr>
<td>2021</td>
<td>(179.3)</td>
</tr>
<tr>
<td>2Q2022</td>
<td>(167.1)</td>
</tr>
</tbody>
</table>

1. Based on cash and cash equivalents, and term deposits and others
2. Total debt consists of borrowings and notes payable
3. Excluding subsidiaries, including those held via special purpose vehicles, on an attributable basis
4. 2Q2022 figures quoted in US dollars are based on the exchange rate of US$1 to RMB6.7114

<table>
<thead>
<tr>
<th>Year</th>
<th>USD in billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>982.8</td>
</tr>
<tr>
<td>2020</td>
<td>1,204.9</td>
</tr>
<tr>
<td>2019</td>
<td>419.8</td>
</tr>
<tr>
<td>2018</td>
<td>238.0</td>
</tr>
<tr>
<td>2017</td>
<td>210.8</td>
</tr>
</tbody>
</table>

USD89.7 billion (4)
Prudent Capital Management and Robust Credit Metrics

**Total debt / Adjusted EBITDA**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>LTM Jun 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiplier</td>
<td>1.4x</td>
<td>1.5x</td>
<td>1.5x</td>
<td>1.4x</td>
<td>1.5x</td>
<td>1.8x</td>
</tr>
</tbody>
</table>

**Total debt / (Adjusted EBITDA – CAPEX paid)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>LTM Jun 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiplier</td>
<td>1.6x</td>
<td>1.9x</td>
<td>1.9x</td>
<td>1.7x</td>
<td>1.8x</td>
<td>2.2x</td>
</tr>
</tbody>
</table>

**Adjusted EBITDA / Interest expense**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>LTM Jun 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiplier</td>
<td>31.3x</td>
<td>24.1x</td>
<td>19.2x</td>
<td>24.6x</td>
<td>24.6x</td>
<td>20.9x</td>
</tr>
</tbody>
</table>

**Total debt / Total capitalisation**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>LTM Jun 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiplier</td>
<td>32.3%</td>
<td>33.5%</td>
<td>31.1%</td>
<td>24.2%</td>
<td>25.6%</td>
<td>29.5%</td>
</tr>
</tbody>
</table>

---

1. Total debt consists of borrowings and notes payable; Adjusted EBITDA consists of EBITDA plus equity-settled share-based compensation expenses
2. Last twelve months ended Jun 30, 2022
3. Capital expenditure paid includes purchase of property, plant and equipment, constructions in progress and investment properties, payments for land use rights and payments for intangible assets (excluding media contents, game licences and other contents)
4. Total capitalisation consists of total debt plus total equity (book value)